AMERICAN COMPETITIVENESS ACT/Regulations on Hiring Americans First

SUBJECT: American Competitiveness Act of 1998 . . . S. 1723. Abraham motion to table the Kennedy amendment No. 2417.

ACTION: MOTION TO TABLE AGREED TO, 59-39

SYNOPSIS: As reported, S. 1723, the American Competitiveness Act, will respond to a current shortage of skilled workers in the United States, particularly in high technology fields, by increasing for 5 years the number of temporary work (H-1B) visas the United States grants each year for such workers and by authorizing \$50 million annually in matching educational grants for mathematics, computer, and engineering degrees for disadvantaged, low-income students.

The Kennedy amendment would make employers subject to the bill's penalties if prior to petitioning to bring in H-1B workers they did not first take timely, significant, and effective steps to recruit and retain United States workers for those jobs. Such steps would include "good faith" recruitment in the United States, using procedures that met "industry-wide" standards and offering employment to any qualified United States worker who applied. The Department of Labor would decide if a company was in compliance. The amendment would not apply to certain aliens, including aliens with "extraordinary" abilities and aliens who were coming as researchers or faculty for colleges, nonprofit institutions, or Federal Government entities.

Debate was limited by unanimous consent. After debate, Senator Abraham moved to table the Kennedy amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

Those favoring the motion to table contended:

The Kennedy amendment would cripple the H-1B immigrant program. It would give the Department of Labor complete authority to decide if a company had tried to hire an American before petitioning to bring in a temporary foreign worker. The claim made by the amendment's supporters that all that a company would have to do is "check a box" saying it had made such an effort is ridiculous.

(See other side)							
YEAS (59)			NAYS (39)			NOT VOTING (2)	
r		Democrats	Republicans	Democrats		Republicans	Democrats
		(6 or 14%)	(1 or 2%)	(38 o	r 86%)	(1)	(1)
Abraham Allard Ashcroft Bennett Bond Brownback Burns Chafee Coats Cochran Collins Coverdell Craig D'Amato DeWine Domenici Enzi Frist Gorton Gramm Grams Grams Grassley Gregg Hagel Hatch Helms Hutchinson	Hutchison Inhofe Jeffords Kempthorne Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Roberts Roth Santorum Sessions Shelby Smith, Bob Smith, Gordon Snowe Specter Stevens Thomas Thompson Thurmond Warner	Baucus Cleland Graham Kohl Lieberman Murray	Campbell	Akaka Biden Bingaman Boxer Breaux Bryan Bumpers Byrd Conrad Daschle Dodd Dorgan Durbin Feingold Feinstein Ford Glenn Harkin Hollings	Inouye Johnson Kennedy Kerrey Kerry Landrieu Lautenberg Leahy Mikulski Moseley-Braun Moynihan Reed Reid Robb Rockefeller Sarbanes Torricelli Wellstone Wyden	EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	ily Absent nced Yea nced Nay Yea

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No employer would be willing to take such a foolhardy chance. If it did, the Department of Labor might decide that it had not advertised enough to find American workers, or that it had failed to go to the right universities to recruit students, or that it had failed in any other number of possible ways to comply with the Kennedy amendment's requirements. It could then be hit with a \$5,000 fine per "violation" and pay up to \$25,000 per violation in remedies, and it could be disbarred from using the H-1B program for 2 years. Under these circumstances, the only rational way for a company to proceed would be for it to get the Department of Labor to approve its employee-search activities before it petitioned to bring in any H-1B immigrants. The inevitable result would be that the Department of Labor would develop, over the next several years, a system such as the one it has already created for giving "labor certifications" to workers so they can come in under permanent visas. That typically bureaucratic Department of Labor procedure takes an average of 2 years to complete. We have a temporary labor shortage now. We cannot put this program on hold for a couple of years while the Department of Labor develops new regulations, and then wait a couple of more years while employers fight through the maze of regulations that are developed to bring in workers. Yet another problem with the Kennedy amendment is that it would require "any qualified" United States applicant to be hired. The Department of Labor has usually interpreted "qualified" as meaning that bare minimum qualifications are met. Suppose a growing company had 2 openings, and only 1 United States applicant, who, on paper, the Department of Labor said met the company's bare minimum requirements. That company, of course, would not want to hire a barely competent worker--it would want to hire an exemplary worker. Under current law, it can seek the best workers here and abroad; under the Kennedy amendment, it would have to hire the mediocre American worker before petitioning to bring in a foreign worker. Under this circumstance, we doubt that the company would fill either position. It would be better to limit growth than to be forced to hire mediocre workers. The final problem with the Kennedy amendment is that it is addressing a nonexistent problem. In all of the years the H-1B program has been in operation, there have only been 8 willful violations out of hundreds of thousands of cases. The program is working as intended. Foreign skilled workers are brought to the United States to work, and they typically work in the highest growth industries. Their skills cause those companies to grow at much faster rates, leading to the hiring of tens of thousands of more Americans. Bringing in these workers does not cause Americans to lose jobs, it causes a huge net increase in jobs for Americans, and those jobs are in the highest paying industries in the country. If we were to pass the Kennedy amendment we would cut off high-tech industries access to the temporary, skilled help that they needed, and those industries would be forced to move overseas in order to continue to grow. Passing this amendment would jeopardize the strongest sector of our economy. It is a highly dangerous amendment; we urge our colleagues to table it.

Those opposing the motion to table contended:

H-1B workers are typically entry-level workers in skilled fields straight out of college. Most of them earn between \$25,000 and \$50,000. These are not jobs that are reserved for the best and brightest--they are beginner jobs in high-paying fields. We think that Americans should get first crack at any such job openings before employers go looking for foreign workers. We have anecdotal evidence that employers like to hire H-1B workers because they work longer hours under worse conditions without complaint. They are not better workers; they are just easier to abuse because they can always be deported. Not surprisingly, America's business groups have come out in opposition to this amendment. However, we make United States immigration policy, not the chief executive officers of American corporations. Our colleagues tell us that there is a huge shortage of technical workers, and that companies are going to great lengths to try to find workers. If that is the case, and we believe that it probably is for many companies, then this amendment will not present any problem. When they petition foreign H-1B workers, all they will have to do is check a box on their application forms attesting that they made a good faith effort to find Americans to hire but were unsuccessful. The amendment is that simple. We urge our colleagues to give it their support.